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6 Attorneys for Defendant
WELLS FARGO BANK, N.A.
7

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION
11

12 PHOENIX SOLUTIONS, INC., a California
13 corporation,

14 Plaintiff,

15 v.

16 WELLS FARGO BANK, N.A., a Delaware
17 corporation

18 Defendant.
19

Case No. CV 08-0863 MHP

**DECLARATION OF EUGENE M. PAIGE
IN SUPPORT OF MOTION FOR LEAVE
TO FILE FIRST AMENDED ANSWER**

Date: October 20, 2008
Time: 2:00 p.m.
Dept: Courtroom 15, 18th Floor
Judge: Hon. Marilyn Hall Patel

Date Comp. Filed: February 8, 2008

Trial Date: TBD

20 I, Eugene M. Paige, declare as follows:
21

22 1. I am an attorney duly licensed to practice before this Court and a partner in the
23 law firm of Keker & Van Nest LLP, counsel of record for Wells Fargo Bank, N.A. ("Wells
24 Fargo") in this matter. I have knowledge of the facts set forth herein, and if called to testify as a
25 witness thereto, could do so competently under oath..

26 2. On June 18, 2008, Wells Fargo served its first set of requests for production on
27 Phoenix.

28 3. Following a courtesy extension of time to respond to Wells Fargo's discovery

1 requests, Phoenix provided its responses and objections to the requests on July 28, 2008. The
2 next day, I sent a letter to William Wong, Esq., counsel for Phoenix, inquiring as to why the
3 documents Phoenix had agreed to produce with its responses and objections had not been
4 produced. A true and correct copy of that letter is attached hereto as **Exhibit 1**. In the course of
5 a telephonic conference held on August 5, 2008, Mr. Wong agreed to produce Phoenix's
6 responsive documents so that they would be received by Wells Fargo on August 11, 2008. A
7 true and correct copy of the letter memorializing that agreement is attached hereto as **Exhibit 2**.

8 4. Phoenix produced seven compact discs of documents to Wells Fargo on or about
9 August 11, 2008.

10 5. The documents produced by Phoenix on August 11 contained documentation
11 indicating that Ian Bennett, Phoenix's principal and a named inventor on each of the patents-in-
12 suit, was aware of speech recognition software companies such as Nuance Communications,
13 ScanSoft, and Speechworks no later than July of 2002.

14 6. On September 3, 2008, I sent a letter to R. Joseph Trojan, Esq., counsel for
15 Phoenix, indicating that Wells Fargo intended to file an amended answer to take into account the
16 newly discovered facts discussed above, and requesting Phoenix's consent to the filing of such
17 an amended answer. A true and correct copy of that letter is attached hereto as **Exhibit 3**.

18 7. On September 4, 2008, I received a letter from Mr. Trojan, which indicated that
19 Phoenix disagreed with the merits of Wells Fargo's proposed amended answer, and did not
20 provide consent to the filing of an amended answer. A true and correct copy of that letter is
21 attached hereto as **Exhibit 4**.

22 8. Attached hereto as **Exhibit 5** is a true and correct copy of the first amended
23 answer that Wells Fargo seeks to file in this action.
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1 I declare under penalty of perjury under the laws of the state of California that the
2 foregoing is true and correct to the best of my knowledge. Executed this 8th day of September,
3 2008 in San Francisco, California.

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6 /s/ Eugene M. Paige
7 EUGENE M. PAIGE
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PAIGE DECLARATION

EXHIBIT 1

LAW OFFICES
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EUGENE M. PAIGE
EPAIGE@KVN.COM

July 29, 2008

VIA FACSIMILE AND U.S. MAIL

William Wong, Esq.
Trojan Law Offices
9250 Wilshire Boulevard, Suite 325
Beverly Hills, CA 90212

RE: *Phoenix Solutions, Inc. v. Wells Fargo Bank, N.A.*
No. CV-08-0863 MHP

Dear Mr. Wong:

Thank you for arranging to furnish Wells Fargo with Phoenix's discovery responses, which were received by Federal Express today.

Those responses are in many respects deficient, and I will address those deficiencies soon in a separate letter to Joe Trojan. However, in addition to the substantive deficiencies with the responses, no document production whatsoever accompanied the responses. As we discussed on Friday, May 18, and as confirmed by my letter of that date, Wells Fargo granted Phoenix a courtesy extension of time to supply its responses with the understanding that Phoenix would, in return, produce documents that would accompany the responses it sent by Federal Express. Please immediately forward Phoenix's production of responsive documents, as agreed. Thank you very much for your cooperation.

Sincerely,



Eugene M. Paige

EMP:daf

PAIGE DECLARATION

EXHIBIT 2

LAW OFFICES
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EUGENE M. PAIGE
EPAIGE@KVN.COM

August 6, 2008

VIA FACSIMILE AND U.S. MAIL

William Wong, Esq.
Trojan Law Offices
9250 Wilshire Boulevard, Suite 325
Beverly Hills, CA 90212

RE: *Phoenix Solutions, Inc. v. Wells Fargo Bank, N.A.*
No. CV-08-0863 MHP

Dear Mr. Wong:

Thank you very much for taking the time to meet and confer with me on the issues raised in my letter of July 30 yesterday afternoon. I set forth below my understanding of the meet and confer and of the agreements that we reached, and ask that you inform me immediately if I have misunderstood in any way.

Date for Phoenix's Document Production. I understand that Phoenix will be producing documents no later than this coming Friday, August 8, such that Wells Fargo will receive the documents no later than next Monday, August 11. I understand that many of these documents will be coming from the files of Mr. Nicholas Gross, who has been away on vacation, and that those documents had not yet been provided to you at the time of our conversation. As discussed below, I understand that Phoenix will also be providing other documents, such as the Sony license agreement, shortly.

Documents in the possession of Phoenix's counsel that have not been produced. We discussed other documents that Wells Fargo believes Phoenix should have in its possession, and which should have produced already, such as the license agreement between Phoenix and Sony that was called for by several document requests, and was also expressly referenced in my letter of July 30. I understand from our conversation that Mr. Trojan conducted the search for documents in the possession of Phoenix's counsel, and informed you that all such documents had been produced. I appreciate that you did not personally conduct the search and therefore were not in a position to answer my questions during our meet and confer regarding why the Sony license agreement, and other such documents, had not yet been produced. Although I requested to speak with him, Mr. Trojan was not available during our call to discuss the search that had

William Wong, Esq.
August 6, 2008
Page 2

been conducted and why the Sony license agreement has not been produced to Wells Fargo. However, you agreed to produce the Sony license agreement as soon as possible.

Protective order for produced documents. On our call, Phoenix raised for the first time a concern with having a protective order in place before producing its documents. As we discussed, I have not yet received a reply to my letter of July 1, which responded to Mr. Trojan's proposal of June 30 regarding the protective order. Wells Fargo stands ready to continue negotiations on the terms of a suitable protective order, as set forth in that letter. Until agreement is reached, Wells Fargo will observe the strictures of Patent Local Rule 2-2, which limits the dissemination of documents marked as confidential to outside counsel and employees of outside counsel pending entry of a protective order. That agreement is, of course, without prejudice to Wells Fargo's right to challenge the designation of any particular document as confidential.

Phoenix's further response to Interrogatory No. 1. Phoenix agreed that it would provide a supplemental response to Interrogatory No. 1, which would include a substantive response listing the prior art of which Phoenix was aware that it did not provide to the examiner in various of its prosecutions of the patents-in-suit. Phoenix also agreed that it would not limit its response to prior art that it viewed as "material," instead listing the prior art that was not provided regardless of Phoenix's subjective view of materiality or lack thereof. Phoenix committed to producing this supplemental response on Friday, August 8.

Phoenix's continued refusal to provide information about the circumstances of alleged invention. Phoenix refused to supplement its response to Interrogatory No. 3, in which Phoenix stated that it had undertaken no efforts to determine the circumstances under which the alleged inventions were conceived or reduced to practice. Phoenix's position is based on the notion that providing Wells Fargo with the requested information would be unduly burdensome, because it does not believe that Wells Fargo has provided it with prior art that would necessitate it claiming a date of invention prior to the filing date. Phoenix also, however, purported to "reserve the right" to later introduce evidence of the circumstances of conception or reduction to practice at a later date by submitting an amended interrogatory response at some undetermined future date. As we discussed, please be aware that Wells Fargo will object to any such belated attempt to provide information that Wells Fargo has properly requested in discovery now; Wells Fargo will move in limine to bar introduction of any evidence, documents, or testimony relating to conception or reduction to practice prior to the filing date of the patents-in-suit based upon Phoenix's flat refusal to provide this information when requested in discovery.

Phoenix's continued refusal to provide its contentions regarding cumulateness. Phoenix also refused to amend its response to Interrogatory No. 2 to provide the facts underlying any arguments that it may make regarding the alleged cumulateness of the prior art that Phoenix withheld from the examiner during the prosecution of the patents-in-suit. As we discussed, similar to Wells Fargo's position on Interrogatory No. 3, Wells Fargo will object to any arguments that Phoenix seeks to make in its motion for summary judgment or elsewhere that

William Wong, Esq.
August 6, 2008
Page 3

rely on alleged cumulateness of the references at issue if Phoenix is not willing to provide the facts underlying those arguments in discovery. You indicated that you would speak with Mr. Trojan and provide Phoenix's position on Interrogatory No. 2.

Phoenix's waiver of privilege with respect to communications between Mr. Gross and Mr. Bennett. You acknowledged that the previous production of communications between Mr. Gross and Mr. Bennett had waived the privilege that might otherwise apply to such documents. However, because you had not reviewed the documents Phoenix had already produced reflecting communications between Mr. Gross and Mr. Bennett, you were unwilling to take a position on the scope of the waiver. Instead, you stated that your belief was that the waiver was "narrow," and indicated that Phoenix would likely be withholding some of the documents that Mr. Gross is providing for its review on privilege grounds. Wells Fargo would like to see if the parties are able to reach an agreement on the scope of the waiver without the need to resort to motions practice; accordingly, once Phoenix has reviewed the documents that it has previously produced containing communications between Mr. Gross and Mr. Bennett, please provide Phoenix's proposal as to the scope of the waiver that should result.

References that Phoenix did not provide to the examiner. You indicated that Phoenix would revise its responses to Request Nos. 58 and 60 to remove the assertion that no such documents exist, and would instead produce the references that Phoenix did not provide to the examiner. In a manner similar to Phoenix's revised response to Interrogatory No. 1, you agreed that those references would be provided regardless of Phoenix's subjective belief as to their materiality.

Objections pursuant to which no documents are being withheld. With regards to Phoenix's objections to producing documents that relate to claims of the patents-in-suit other than the claims asserted in this litigation, or that are supposedly "publicly available," you stated that no documents were being withheld on the basis of those objections. However, in light of the fact that Mr. Trojan apparently conducted the search for documents and you were not aware of the parameters of that search, I would ask that you confirm with Mr. Trojan that no documents are being withheld on the basis of those objections.

Phoenix's statements about "the product" not being sold. As we discussed, the fact that Phoenix has admitted that it never sold a product does not provide an answer to whether documents exist that are responsive to Request No. 12, which calls for (among other things) lab notebooks and software code that relate to the alleged inventions. You indicated that Phoenix may well produce documents responsive to these requests with the materials it produces on Friday. Phoenix has agreed to submit amended responses to these requests, along with the other requests discussed above, no later than this Friday, August 8th.

William Wong, Esq.
August 6, 2008
Page 4

Please let me know immediately if you disagree with any of the foregoing. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'E M Paige'.

Eugene M. Paige

EMP:daf

PAIGE DECLARATION

EXHIBIT 3

LAW OFFICES
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EUGENE M. PAIGE
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September 3, 2008

VIA FACSIMILE AND U.S. MAIL

R. Joseph Trojan, Esq.
Trojan Law Offices
9250 Wilshire Boulevard, Suite 325
Beverly Hills, CA 90212

RE: *Phoenix Solutions, Inc. v. Wells Fargo Bank, N.A.*
No. CV-08-0863 MHP

Dear Joe:

I write regarding Wells Fargo's affirmative defenses of inequitable conduct.

In our review of the documents that Phoenix produced to Wells Fargo in mid-August, it has come to our attention that Mr. Bennett, a named inventor on each of the patents-in-suit, knew of (among other companies) Nuance, SpeechWorks, Scansoft, BeVocal, TellMe, Hey Anita, and VoiceNet during the pendency of the prosecutions of the patents-in-suit. Yet it appears from the record that Phoenix never disclosed any materials relating to the workings of the systems created by those companies that pre-date Phoenix's patent filings by more than a year. As Phoenix is aware from the past discussions of Wells Fargo's intended motion for summary judgment, Wells Fargo believes that the claims as interpreted by Phoenix read upon at least the Nuance prior art. Accordingly, Wells Fargo intends to submit a motion for leave to file an amended answer that adds to the facts supporting its affirmative defenses of inequitable conduct Phoenix's failure to disclose such prior uses to the Patent and Trademark Office.

Please let me know whether Phoenix will stipulate to the filing of Wells Fargo's proposed amended answer. If Phoenix does not provide its consent by this Friday, Wells Fargo will understand that Phoenix intends to oppose this request for leave to file an amended answer, and will proceed with a motion for leave to file the amended answer.

Wells Fargo recognizes that Phoenix intends to file a motion for summary judgment on inequitable conduct this coming Monday, September 8. Wells Fargo is of course willing to stipulate to having that motion filed at a later date in light of this newly discovered additional ground for Wells Fargo's inequitable conduct defense. Please let me know if Phoenix would like

R. Joseph Trojan, Esq.
September 3, 2008
Page 2

to discuss modifying the schedule for its planned motion for summary judgment on inequitable conduct.

Thank you for your attention to this matter, and please do not hesitate to contact me should you wish to discuss it further.

Sincerely,

A handwritten signature in black ink, appearing to be 'E. Paige'.

Eugene M. Paige

EMP:at

PAIGE DECLARATION

EXHIBIT 4

R. JOSEPH TROJAN

DYLAN C. DANG
JEEYEON HAN
SHARON E. GHAUSI
WILLIAM WONG
LLOYD VU

OF COUNSEL
J. NICHOLAS GROSS

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September 4, 2008

Eugene M. Paige, Esq.
Keker & Van Nest, LLP
710 Sansome Street
San Francisco, California 94111-1704

VIA Fax 415-397-7188 and Mail (2 pages)

Re: [Phoenix]
Phoenix Solutions, Inc. v. Wells Fargo & Company
U.S.D.C., Northern District of California
Case No. CV08-0863 MHP
TLO File No. 08-02-4824

Dear Eugene:

The following is our response to your letter of September 3, 2008 asking if we oppose your motion to amend your affirmative defense of inequitable conduct. Your letter is so deficient in any specific details of your proposed new allegations that it is impossible to provide any kind of meaningful response. But from the superficial detail that you did provide, it appears that you propose to allege that Dr. Bennett's awareness of the existence of potential competing systems obligated him to disclose such systems to the Patent Office. Such an allegation is grossly insufficient for all the following reasons:

The mere fact that Dr. Bennett was aware of the existence of other systems does not in anyway suggest that he was aware of the details concerning how those systems operated, let alone if he thought they were germane in any way to any of the claims at issue. Wells Fargo is aware of the existence of Bank of America, but that does not mean that Wells Fargo knows the internal operations of the software and hardware used by Bank of America. Mr. Bennett's knowledge of the existence of other companies is no different. He could no more acquire the operational details of the systems of other companies than Wells Fargo could demand the operational details of another bank.

At least four of the companies you have identified on your list did not have systems *available for use/sale* until after the patent application was filed. If you had done even the most basic due diligence, you would have known that.

You have failed to identify a single document from any of the companies on your list that was in Dr. Bennett's possession that was relevant to a claim in his patent application that was not

Eugene Page, Esq.
Re: *Phoenix v. Wells Fargo*
September 4, 2008
Page 2 of 2

disclosed. This is fundamental to an allegation of inequitable conduct. Your failure to even attempt to identify such a document and its relevance is further evidence of your lack of due diligence before making this new, unsubstantiated allegation. Your letter makes no mention of any prior art documentation that Dr. Bennett failed to disclose. Your letter accuses him of inequitable conduct for failing to disclose the identity of companies to the Patent Office. Such a theory of inequitable conduct is unsupported by any case law. In fact, there is no good faith basis for urging the adoption of such a new theory as an extension of existing case law because the Patent Office has no ability to evaluate the patentability of patent claims based upon a list of names of companies. If you have specific prior art documents you believe should have been disclosed that were in Dr. Bennett's possession that were relevant to a pending claim, then you have an obligation to identify those prior art documents to us immediately so that we can evaluate your allegations.

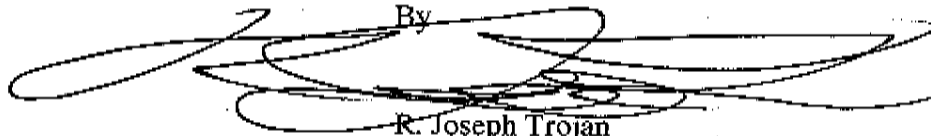
The fact that certain companies had voice recognition systems before Dr. Bennett's invention is not news. Other systems are documented in the file history. As you are fully aware, the list of prior art references for Dr. Bennett's patents goes on for two and a half pages in single spaced, small 8 point type. It includes U.S. and foreign patents, and an extensive listing of industry literature. If you have any document that is prior art to Dr. Bennett's invention that was in Dr. Bennett's possession that is not merely cumulative to the extensive prior art already disclosed, then you have an obligation to provide it to us immediately with an explanation of its relevance to a specific claim.

The fact that your letter makes no mention whatsoever of any claim of any of the patents at issue strongly suggests that you have not compared any prior art document to the pending claims to answer the most basic question of inequitable conduct: Whether the information is material to patentability when it is not cumulative to information already of record or being made of record in the application, and (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or (2) It refutes, or is inconsistent with, a position the applicant takes in: (i) Opposing an argument of unpatentability relied on by the Office, or (ii) Asserting an argument of patentability." 37 C.F.R. §1.56. The fact that you make no mention whatsoever of any patent claim once again re-enforces the conclusion that you have failed to engage in the most basic due diligence. Since you are prepared already to file your motion to amend your answer, you must have done such an analysis in order to fulfill your Rule 11 obligations. We demand that you immediately provide your claim analysis under 37 C.F.R. §1.56 that supports your allegation of inequitable conduct so that we can properly evaluate your proposed amendment. If you do not provide us with such an analysis, we will know you did not do it and we will proceed under Rule 11 accordingly.

Very truly yours,

TROJAN LAW OFFICES

By

A large, stylized handwritten signature in black ink, appearing to read 'R. Joseph Trojan', is written over the printed name.

R. Joseph Trojan

**PAIGE DECLARATION
EXHIBIT 5**

1 KEKER & VAN NEST, LLP
DARALYN J. DURIE - #169825
2 EUGENE M. PAIGE - #202849
RYAN M. KENT - #220441
3 SONALI D. MAITRA - #254896
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6 Attorneys for Defendant
WELLS FARGO BANK, N.A.
7

8 UNITED STATES DISTRICT COURT
9
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN FRANCISCO DIVISION

12 PHOENIX SOLUTIONS, INC., a California
13 corporation,

14 Plaintiff,

15 v.

16 WELLS FARGO BANK, N.A., a Delaware
17 corporation,

18 Defendant.

Case No. CV 08-0863 MHP

**FIRST AMENDED ANSWER TO
AMENDED COMPLAINT**

DEMAND FOR JURY TRIAL

19
20
21 Defendant Wells Fargo Bank, N.A. ("Wells Fargo") answers Phoenix Solutions, Inc.'s
22 ("Phoenix's") amended complaint ("Complaint") as follows:

23 1. Wells Fargo admits that the Complaint purports to recite an action for
24 infringement under the patent laws of the United States.

25 **I. THE PARTIES**

26 2. Wells Fargo denies that Phoenix is a corporation organized and existing under the
27 laws of the State of California; Wells Fargo lacks knowledge or information sufficient to form a
28

1 belief about the truth of the remainder of the allegations in this paragraph and, on that basis,
2 denies the remainder of the allegations in this paragraph.

3 3. Wells Fargo admits that it has a place of business at 420 Montgomery Street, San
4 Francisco, California 94163. Wells Fargo denies the remainder of the allegations of this
5 paragraph.

6 II. FACTUAL BACKGROUND

7 4. Wells Fargo lacks knowledge or information sufficient to form a belief about the
8 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
9 paragraph.

10 5. Wells Fargo lacks knowledge or information sufficient to form a belief about the
11 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
12 paragraph.

13 6. Wells Fargo lacks knowledge or information sufficient to form a belief about the
14 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
15 paragraph.

16 7. Wells Fargo admits that it provides financial services including banking,
17 insurance, investment, mortgage loan, and consumer finance services. Wells Fargo admits that it
18 operates customer support lines, some of which are toll-free. Wells Fargo admits that some of its
19 customer support lines employ interactive voice response (IVR) systems that provide customers
20 with audible responses. Wells Fargo lacks information sufficient to form a belief about the truth
21 of the remainder of the allegations in this paragraph and, on that basis, denies the remainder of
22 the allegations in this paragraph.

23 8. Wells Fargo lacks knowledge or information sufficient to form a belief about the
24 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
25 paragraph.

26 9. Wells Fargo lacks knowledge or information sufficient to form a belief about the
27 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
28 paragraph.

1 10. Wells Fargo lacks knowledge or information sufficient to form a belief about the
2 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
3 paragraph.

4 11. Wells Fargo lacks knowledge or information sufficient to form a belief about the
5 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
6 paragraph.

7 12. Wells Fargo lacks knowledge or information sufficient to form a belief about the
8 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
9 paragraph.

10 13. Wells Fargo lacks knowledge or information sufficient to form a belief about the
11 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
12 paragraph.

13 14. Wells Fargo lacks knowledge or information sufficient to form a belief about the
14 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
15 paragraph.

16 15. Wells Fargo admits that some of the IVR systems used in its customer support
17 lines may respond with an audible response or may route the caller to a live person. Wells Fargo
18 lacks information sufficient to form a belief about the truth of the remainder of the allegations in
19 this paragraph and, on that basis, denies the remainder of the allegations in this paragraph.

20 16. Wells Fargo lacks knowledge or information sufficient to form a belief about the
21 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
22 paragraph.

23 17. Wells Fargo lacks knowledge or information sufficient to form a belief about the
24 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
25 paragraph.

26 18. Wells Fargo lacks knowledge or information sufficient to form a belief about the
27 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
28 paragraph.

1 19. Wells Fargo lacks knowledge or information sufficient to form a belief about the
2 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
3 paragraph.

4 20. Wells Fargo admits that the IVR systems used in its customer support lines are a
5 combination of components, including hardware, software, and content, that it obtained from
6 third parties. Wells Fargo lacks knowledge or information sufficient to form a belief about the
7 truth of the allegations in the remainder this paragraph and, on that basis, denies the allegations
8 in the remainder of this paragraph.

9 21. Wells Fargo lacks knowledge or information sufficient to form a belief about the
10 truth of the allegations in this paragraph and, on that basis, denies the allegations in this
11 paragraph.

12 22. Wells Fargo admits that, on or about June 2, 2006, J. Nicholas Gross of the Trojan
13 Law Offices sent a letter addressed to James Strother, purportedly on behalf of Phoenix, in which
14 Mr. Gross stated that the "speech based electronic agent" that Mr. Gross apparently assumed was
15 operated by Wells Fargo "is very likely covered one or more claims of the Phoenix portfolio in
16 this area." Wells Fargo admits that the letter listed U.S. Patent Nos. 6,633,846, 6,616,172,
17 6,665,640, and 7,050,977 and a pending publication, Publication No. 2004/0117189. Wells
18 Fargo further admits that the letter stated that "we request that you please review the enclosed
19 materials, and let us know within 30 days if Wells Fargo is interested in securing a license to the
20 above technologies." Wells Fargo admits that, on or about June 27, 2006, Walter Linder pointed
21 out in a letter to Mr. Gross that Mr. Gross had failed to identify any specific claims that were
22 infringed and had not provided any specific reasons why any such claims were infringed. Wells
23 Fargo admits that, on or about June 29, 2006, Mr. Gross replied by letter to Mr. Linder that
24 Wells Fargo may have overlooked a CD enclosed with the original letter. Wells Fargo admits
25 that, on or about October 18, 2007, R. Joseph Trojan, purportedly representing Phoenix, sent a
26 letter to Mr. Linder stating, *inter alia*, "the only rational choice is for Wells Fargo to solicit more
27 favorable treatment as a willing licensee than the terms it would receive as a defendant in
28 litigation." The letter further demanded that Wells Fargo "disclose its call volume for each of

1 the past three years for its interactive natural language processing customer support lines.”

2 Wells Fargo denies the remainder of the allegations in this paragraph.

3 **III. JURISDICTION AND VENUE**

4 23. This paragraph states no more than a legal conclusion to which no response is
5 required.

6 24. This paragraph states no more than a legal conclusion to which no response is
7 required.

8 25. This paragraph states no more than a legal conclusion to which no response is
9 required.

10 **IV. FIRST COUNT FOR INFRINGEMENT OF UNITED**
11 **STATES PATENT NO. 6,633,846**

12 26. Wells Fargo repeats and realleges its responses set forth in paragraphs 1-25
13 above.

14 27. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 6,633,846
15 (“ ’846 patent”) is attached to the Complaint as Exhibit 1. Wells Fargo admits that the ’846
16 patent is entitled “Distributed Real Time Speech Recognition System.” Wells Fargo lacks
17 knowledge or information sufficient to form a belief about the truth of the remainder of the
18 allegations in this paragraph and, on that basis, denies the remainder of the allegations in this
19 paragraph.

20 28. Denied.

21 29. Denied.

22 30. Denied.

23 **V. SECOND COUNT FOR INFRINGEMENT OF UNITED**
24 **STATES PATENT NO. 6,665,640**

25 31. Wells Fargo repeats and realleges its responses set forth in paragraphs 1-25
26 above.

27 32. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 6,665,640
28 (“ ’640 patent”) is attached to the Complaint as Exhibit 2. Wells Fargo admits that the ’640
patent is entitled “Interactive Speech Based Learning/Training System Formulating Search

1 Queries Based on Natural Language Parsing of Recognized User Queries.” Wells Fargo lacks
 2 knowledge or information sufficient to form a belief about the truth of the remainder of the
 3 allegations in this paragraph and, on that basis, denies the remainder of the allegations in this
 4 paragraph.

5 33. Denied.

6 34. Denied.

7 35. Denied.

8 **VI. THIRD COUNT FOR INFRINGEMENT OF UNITED**
 9 **STATES PATENT NO. 7,050,977**

10 36. Wells Fargo repeats and realleges its responses set forth in paragraphs 1 - 25
 11 above.

12 37. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 7,050,977
 13 (“ ’977 patent”) is attached to the Complaint as Exhibit 3. Wells Fargo admits that the ’977
 14 patent is entitled “Speech-Enabled Server for Internet Website and Method.” Wells Fargo lacks
 15 knowledge or information sufficient to form a belief about the truth of the remainder of the
 16 allegations in this paragraph and, on that basis, denies the remainder of the allegations in this
 17 paragraph.

18 38. Denied.

19 39. Denied.

20 40. Denied.

21 **VII. FOURTH COUNT FOR INFRINGEMENT OF UNITED**
 22 **STATES PATENT NO. 7,277,854**

23 41. Wells Fargo repeats and realleges its responses set forth in paragraphs 1 - 25
 24 above.

25 42. Wells Fargo admits that what purports to be a copy of U.S. Patent No. 7,277,854
 26 (“ ’854 patent”) is attached to the Complaint as Exhibit 4. Wells Fargo admits that the ’854
 27 patent is entitled “Speech Recognition System Interactive Agent.” Wells Fargo lacks knowledge
 28 or information sufficient to form a belief about the truth of the remainder of the allegations in
 this paragraph and, on that basis, denies the remainder of the allegations in this paragraph.

1 43. Denied.

2 44. Denied.

3 45. Denied.

4 **VIII. DEMAND FOR JURY TRIAL**

5 46. This paragraph demands a jury trial, and accordingly no response is necessary for
6 this paragraph.

7 **IX. PRAYER FOR RELIEF**

8 47. Wells Fargo denies each allegation of the Complaint not expressly admitted
9 herein.

10 **AFFIRMATIVE DEFENSES**

11 **FIRST AFFIRMATIVE DEFENSE**

12 48. On information and belief, the '846 patent is invalid because it fails to enable a
13 person of ordinary skill in the art to make and/or use the purported inventions claimed therein as
14 required by 35 U.S.C. § 112.

15 **SECOND AFFIRMATIVE DEFENSE**

16 49. On information and belief, the '846 patent is invalid because it fails to set forth an
17 adequate written description of the purported inventions claimed therein as required by 35 U.S.C.
18 § 112.

19 **THIRD AFFIRMATIVE DEFENSE**

20 50. On information and belief, the '846 patent is invalid because it fails to provide the
21 best mode known to the putative inventors of practicing the purported inventions claimed therein
22 as required by 35 U.S.C. § 112.

23 **FOURTH AFFIRMATIVE DEFENSE**

24 51. On information and belief, the '846 patent is invalid because it fails to satisfy the
25 definiteness requirement of 35 U.S.C. § 112.

26 **FIFTH AFFIRMATIVE DEFENSE**

27 52. On information and belief, the '846 patent is invalid because the purported
28 inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

1 **SIXTH AFFIRMATIVE DEFENSE**

2 53. On information and belief, the '846 patent is invalid because the purported
3 inventions claimed therein do not meet the requirement of non-obviousness contained in 35
4 U.S.C. § 103.

5 **SEVENTH AFFIRMATIVE DEFENSE**

6 54. On information and belief, the '846 patent is invalid because it fails to set forth
7 the proper inventors of the purported inventions claimed in the patent.

8 **EIGHTH AFFIRMATIVE DEFENSE**

9 55. On information and belief, the '846 patent is not infringed by Wells Fargo
10 because the claim constructions that would be required to find infringement are barred by the
11 doctrine of prosecution disclaimer and/or prosecution history estoppel.

12 **NINTH AFFIRMATIVE DEFENSE**

13 56. On information and belief, the '640 patent is invalid because it fails to enable a
14 person of ordinary skill in the art to make and/or use the purported inventions claimed therein as
15 required by 35 U.S.C. § 112.

16 **TENTH AFFIRMATIVE DEFENSE**

17 57. On information and belief, the '640 patent is invalid because it fails to set forth an
18 adequate written description of the purported inventions claimed therein as required by 35 U.S.C.
19 § 112.

20 **ELEVENTH AFFIRMATIVE DEFENSE**

21 58. On information and belief, the '640 patent is invalid because it fails to provide the
22 best mode known to the putative inventors of practicing the purported inventions claimed therein
23 as required by 35 U.S.C. § 112.

24 **TWELFTH AFFIRMATIVE DEFENSE**

25 59. On information and belief, the '640 patent is invalid because it fails to satisfy the
26 definiteness requirement of 35 U.S.C. § 112.

THIRTEENTH AFFIRMATIVE DEFENSE

60. On information and belief, the '640 patent is invalid because the purported inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

FOURTEENTH AFFIRMATIVE DEFENSE

61. On information and belief, the '640 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

FIFTEENTH AFFIRMATIVE DEFENSE

62. On information and belief, the '640 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

SIXTEENTH AFFIRMATIVE DEFENSE

63. On information and belief, the '640 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

SEVENTEENTH AFFIRMATIVE DEFENSE

64. On information and belief, the '977 patent is invalid because it fails to enable a person of ordinary skill in the art to make and/or use the purported inventions claimed therein as required by 35 U.S.C. § 112.

EIGHTEENTH AFFIRMATIVE DEFENSE

65. On information and belief, the '977 patent is invalid because it fails to set forth an adequate written description of the purported inventions claimed therein as required by 35 U.S.C. § 112.

NINETEENTH AFFIRMATIVE DEFENSE

66. On information and belief, the '977 patent is invalid because it fails to provide the best mode known to the putative inventors of practicing the purported inventions claimed therein as required by 35 U.S.C. § 112.

TWENTIETH AFFIRMATIVE DEFENSE

67. On information and belief, the '977 patent is invalid because it fails to satisfy the definiteness requirement of 35 U.S.C. § 112.

TWENTY-FIRST AFFIRMATIVE DEFENSE

68. On information and belief, the '977 patent is invalid because the purported inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

TWENTY-SECOND AFFIRMATIVE DEFENSE

69. On information and belief, the '977 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

TWENTY-THIRD AFFIRMATIVE DEFENSE

70. On information and belief, the '977 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

71. On information and belief, the '977 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

72. On information and belief, the '854 patent is invalid because it fails to enable a person of ordinary skill in the art to make and/or use the purported inventions claimed therein as required by 35 U.S.C. § 112.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

73. On information and belief, the '854 patent is invalid because it fails to set forth an adequate written description of the purported inventions claimed therein as required by 35 U.S.C. § 112.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

74. On information and belief, the '854 patent is invalid because it fails to provide the best mode known to the putative inventors of practicing the purported inventions claimed therein as required by 35 U.S.C. § 112.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

75. On information and belief, the '854 patent is invalid because it fails to satisfy the definiteness requirement of 35 U.S.C. § 112.

TWENTY-NINTH AFFIRMATIVE DEFENSE

76. On information and belief, the '854 patent is invalid because the purported inventions claimed therein are anticipated by prior art under 35 U.S.C. § 102.

THIRTIETH AFFIRMATIVE DEFENSE

77. On information and belief, the '854 patent is invalid because the purported inventions claimed therein do not meet the requirement of non-obviousness contained in 35 U.S.C. § 103.

THIRTY-FIRST AFFIRMATIVE DEFENSE

78. On information and belief, the '854 patent is invalid because it fails to set forth the proper inventors of the purported inventions claimed in the patent.

THIRTY-SECOND AFFIRMATIVE DEFENSE

79. On information and belief, the '854 patent is not infringed by Wells Fargo because the claim constructions that would be required to find infringement are barred by the doctrine of prosecution disclaimer and/or prosecution history estoppel.

THIRTY-THIRD AFFIRMATIVE DEFENSE

80. On information and belief, one or more of Phoenix's claims are barred by the doctrine of laches.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

81. On information and belief, Phoenix's claims for damages are limited and/or barred by its failure to comply with the provisions of 35 U.S.C. § 287.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

82. On information and belief, Phoenix's claims for infringement of the '846 patent are barred in whole or in part by its failure to comply with the duty of candor before the United States Patent and Trademark Office ("USPTO"). Phoenix misrepresented or omitted material information in prosecuting the '846 patent. The materiality of the information that was omitted is confirmed by the fact that, as explained further below, in almost every instance the reference in question was cited to Phoenix by a patent examiner overseeing the prosecution of a patent application seeking to claim related subject matter, and the reference was cited as a ground for rejecting the claims of that pending application. That demonstrates that a reasonable examiner would have likely considered the withheld information relevant in assessing the patentability of the claims here. Further, on information and belief, Phoenix withheld the information with the intent to deceive the USPTO. Phoenix's intent to deceive the USPTO can be inferred from the fact that it repeatedly failed to cite material prior art of which it was made aware during the course of prosecuting related applications. Illustrative examples of such failures to disclose material prior art of which Wells Fargo is currently aware are discussed below. As a result of at least these omissions, the '846 patent is unenforceable due to inequitable conduct.

83. During the time that the '846 patent was pending before the USPTO, Phoenix was aware of U.S. Patent No. 5,615,296 to Stanford. Phoenix became aware of the Stanford patent no later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office Action rejecting the claims of the '640 patent, based in part on obviousness over the Stanford patent.

84. As explained in paragraph 82 above, the Stanford patent's materiality is demonstrated by the fact that it was used to reject the claims of a patent application from the same family. The Stanford patent also discloses information that is unquestionably material to issues relating to the patentability of the claims of the '846 patent, including the issue of obviousness. For example, the '846 patent as issued claims a system "wherein said speech representative values are transmitted continuously during said speech utterances." The Stanford

1 patent, at column 4, lines 10-12 notes that it discloses a “technique of speaker-independent,
2 continuous-speech phrases and bi-grams.”

3 85. Well over three months later, in September of 2002, Phoenix submitted a
4 supplemental Information Disclosure Statement. That IDS contained no mention of the Stanford
5 patent. Days after that, Phoenix submitted a set of amendments and arguments intended to
6 overcome the Examiner’s prior rejection of the claims of the ’846 patent. Still no mention was
7 made of the Stanford patent, despite the fact that Phoenix had attempted at length to distinguish
8 the Stanford patent in the ’640 patent prosecution.

9 86. On March 12, 2003, the Examiner gave notice of allowance of all claims of the
10 ’846 patent. Phoenix still failed to disclose to the USPTO the Stanford patent, a reference that
11 may well have led the USPTO to withdraw its notice of allowance of the claims.

12 87. The ’846 patent reflects on its face that the Stanford patent was never considered
13 by the Examiner during its prosecution. Notably, the attorney prosecuting both the ’846 patent
14 and the ’640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
15 material reference, Phoenix committed inequitable conduct, and the ’846 patent is unenforceable.

16 88. Also during the time that the ’846 patent was pending before the USPTO, Phoenix
17 was aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent
18 no later than May of 2002, when the Examiner in the ’640 patent prosecution mailed an Office
19 Action rejecting the claims of the ’640 patent, based in part on obviousness over the Trower
20 patent.

21 89. As explained in paragraph 82 above, the Trower patent’s materiality is
22 demonstrated by the fact that it was used to reject the claims of a patent application from the
23 same family. The Trower patent also discloses information that is unquestionably material to
24 issues relating to the patentability of the claims of the ’846 patent, including the issue of
25 obviousness. For example, the ’846 patent as issued claims a program used in a system “for
26 receiving user speech utterance signals representing speech utterances to be recognized” that
27 “works within a browser program executing on said computing system.” The Trower patent, at
28 column 3, lines 15-16 and column 4, lines 28-34 notes that it discloses a system that relates to

1 “speech input” and utilizes “a microphone and analog to digital convertor circuitry for
2 converting sound to digitized audio” and that the system is “advantageous for web pages.”

3 90. Well over three months later, in September of 2002, Phoenix submitted a
4 supplemental Information Disclosure Statement. That IDS contained no mention of the Trower
5 patent. Days after that, Phoenix submitted a set of amendments and arguments intended to
6 overcome the Examiner’s prior rejection of the claims of the ’846 patent. Still no mention was
7 made of the Trower patent.

8 91. On March 12, 2003, the Examiner gave notice of allowance of all claims of the
9 ’846 patent. Phoenix still failed to disclose to the USPTO the Trower patent, a reference that
10 may well have led the USPTO to withdraw its notice of allowance of the claims.

11 92. The ’846 patent reflects on its face that the Trower patent was never considered
12 by the Examiner during its prosecution. Notably, the attorney prosecuting both the ’846 patent
13 and the ’640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
14 material reference, Phoenix committed inequitable conduct, and the ’846 patent is unenforceable.

15 93. In addition to its failures to submit the material references described above,
16 Phoenix failed to disclose to the United States Patent and Trademark Office material information
17 regarding systems that were in use more than a year before the filing date for the ’846 patent.
18 Specifically, documents produced by Phoenix have revealed that its principal (and named
19 inventor on the ’846 patent) Ian Bennett knew no later than July of 2002 of a number of
20 companies that Phoenix viewed as competitors in the speech recognition marketplace. These
21 companies included, without limitation, Nuance, SpeechWorks, Scansoft, and VoiceNet.

22 94. Under the reading of the claims advanced by Phoenix in its infringement
23 contentions in this case, a product that was offered for sale by Nuance and in use more than a
24 year prior to the filing date of the ’846 patent would have contained each of the elements of the
25 asserted claims of that patent. The Nuance product, which was available years prior to the filing
26 date of the ’846 patent, would therefore have been not merely material prior art, but anticipatory
27 prior art, at least as Phoenix now reads the claims of the patents-in-suit. Accordingly,
28

1 information regarding the products offered by these companies would have been considered
2 highly material to a reasonable examiner in considering whether to issue the '846 patent.

3 95. Given the knowledge of this highly relevant prior art, and the fact that Phoenix
4 elsewhere failed to submit material prior art of which it was aware, as described above, it is
5 reasonable to infer that Phoenix had an intent to deceive when it withheld information regarding
6 that prior art from the USPTO. By intentionally failing to submit this highly relevant prior art to
7 the USPTO, Phoenix committed inequitable conduct, and the '846 patent is therefore
8 unenforceable.

9 **THIRTY-SIXTH AFFIRMATIVE DEFENSE**

10 96. On information and belief, Phoenix's claims for infringement of the '640 patent
11 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.
12 Phoenix misrepresented or omitted material information in prosecuting the '640 patent. The
13 materiality of the information that was omitted is confirmed by the fact that, as explained further
14 below, in almost every instance the reference in question was cited to Phoenix by a patent
15 examiner overseeing the prosecution of a patent application seeking to claim related subject
16 matter, and the reference was cited as a ground for rejecting the claims of that pending
17 application. That demonstrates that a reasonable examiner would have likely considered the
18 withheld information relevant in assessing the patentability of the claims here. Further, on
19 information and belief, Phoenix withheld the information with the intent to deceive the USPTO.
20 Phoenix's intent to deceive the USPTO can be inferred from the fact that it repeatedly failed to
21 cite material prior art of which it was made aware during the course of prosecuting related
22 applications. Illustrative examples of such failures to disclose material prior art of which Wells
23 Fargo is currently aware are discussed below. As a result of at least these omissions, the '640
24 patent is unenforceable due to inequitable conduct.

25 97. During the time that the '640 patent was pending before the USPTO, Phoenix was
26 aware of U.S. Patent No. 5,737,485 to Flanagan. Phoenix became aware of the Flanagan patent
27 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an
28

1 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the
2 Flanagan patent.

3 98. As explained in paragraph 96 above, the Flanagan patent's materiality is
4 demonstrated by the fact that it was used to reject the claims of a patent application from the
5 same family. The Flanagan patent also discloses information that is unquestionably material to
6 issues relating to the patentability of the claims of the '640 patent, including the issue of
7 obviousness. For example, the '640 patent as issued claims "a speech recognition system for
8 generating recognized speech utterance data from partially processed speech data." The
9 Flanagan patent, at column 3, lines 55-57 and column 4, lines 2-4 discloses a "feature extractor
10 [that] extracts speech features or cepstrum coefficients," which data are then "provided as inputs
11 to the speech recognizer."

12 99. A year later, in September of 2002, Phoenix submitted a set of amendments and
13 responses to the USPTO's Office Action rejecting the claims of the '640 patent. Phoenix made
14 no mention of the Flanagan patent at that time. Shortly thereafter, Phoenix submitted another
15 supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made no
16 mention of the Flanagan patent.

17 100. The '640 patent reflects on its face that the Flanagan patent was never considered
18 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '640 patent
19 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
20 material reference, Phoenix committed inequitable conduct, and the '640 patent is unenforceable.

21 101. During the time that the '640 patent was pending before the USPTO, Phoenix was
22 aware of U.S. Patent No. 5,265,014 to Haddock. Phoenix became aware of the Haddock patent
23 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an
24 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the
25 Haddock patent.

26 102. As explained in paragraph 96 above, the Haddock patent's materiality is
27 demonstrated by the fact that it was used to reject the claims of a patent application from the
28 same family. The Haddock patent also discloses information information that is unquestionably

1 material to issues relating to the patentability of the claims of the '640 patent, including the issue
2 of obviousness. For example, the '640 patent as issued claims a system "adapted for responding
3 to speech-based queries" that has a "speech recognition system for generating recognized speech
4 utterance data" and "a query formulation system for converting said recognized speech data into
5 a search query suitable for identifying a topic query entry corresponding to said speech-based
6 query." The Haddock patent, at column 4, lines 25-28 and 43-46 notes that it discloses a system
7 whereby "the user communicates textual information to the computer system by talking to the
8 computer rather than by typing the information at the keyboard" and is "embodied in a user
9 interface of a database system which receives a database query from a user, evaluates the query,
10 and provides a result of the evaluation to the user."

11 103. A year later, in September of 2002, Phoenix submitted a set of amendments and
12 responses to the USPTO's Office Action rejecting the claims of the '640 patent. Phoenix made
13 no mention of the Haddock patent at that time. Shortly thereafter, Phoenix submitted another
14 supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made no
15 mention of the Haddock patent.

16 104. The '640 patent reflects on its face that the Haddock patent was never considered
17 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '640 patent
18 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
19 material reference, Phoenix committed inequitable conduct, and the '640 patent is unenforceable.

20 105. During the time that the '640 patent was pending before the USPTO, Phoenix was
21 aware of U.S. Patent No. 6,336,090 to Chou. Phoenix became aware of the Chou patent no later
22 than May of 2002, when the Examiner in the '846 patent prosecution mailed an Office Action
23 rejecting the claims of the '846 patent, based in part on obviousness over the Chou patent.

24 106. As explained in paragraph 96 above, the Chou patent's materiality is
25 demonstrated by the fact that it was used to reject the claims of a patent application from the
26 same family. The Chou patent also discloses information information that is unquestionably
27 material to issues relating to the patentability of the claims of the '640 patent, including the issue
28 of obviousness. For example, the '640 patent as issued claims a system that involves "partially

1 processed speech data being received from a remote speech capturing system.” The Chou patent,
2 at column 9, lines 51-59 notes that it discloses a “feature extraction and/or ASR units can be
3 located a the receiving base station, the switch connected to the base station . . . or at another
4 location connection on the network(s) to which these elements are connected” and that it will
5 sometimes “be convenient to have the feature extraction and ASR operations performed at
6 different locations.”

7 107. A few months later, in September of 2002, Phoenix submitted a set of
8 amendments and responses to the USPTO’s Office Action rejecting the claims of the ’640 patent.
9 Phoenix made no mention of the Chou patent at that time. Shortly thereafter, Phoenix submitted
10 another supplemental Information Disclosure Statement to the USPTO. Yet Phoenix again made
11 no mention of the Chou patent.

12 108. The ’640 patent reflects on its face that the Chou patent was never considered by
13 the Examiner during its prosecution. Notably, the attorney prosecuting both the ’640 patent and
14 the ’846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material
15 reference, Phoenix committed inequitable conduct, and the ’640 patent is unenforceable.

16 109. In addition to its failures to submit the material references described above,
17 Phoenix failed to disclose to the United States Patent and Trademark Office material information
18 regarding systems that were in use more than a year before the filing date for the ’640 patent.
19 Specifically, documents produced by Phoenix have revealed that its principal (and named
20 inventor on the ’640 patent) Ian Bennett knew no later than July of 2002 of a number of
21 companies that Phoenix viewed as competitors in the speech recognition marketplace. These
22 companies included, without limitation, Nuance, SpeechWorks, Scansoft, and VoiceNet.

23 110. Under the reading of the claims advanced by Phoenix in its infringement
24 contentions in this case, a product that was offered for sale by Nuance and in use more than a
25 year prior to the filing date of the ’640 patent would have contained each of the elements of the
26 asserted claims of that patent. The Nuance product, which was available years prior to the filing
27 date of the ’640 patent, would therefore have been not merely material prior art, but anticipatory
28 prior art, at least as Phoenix now reads the claims of the patents-in-suit. Accordingly,

1 information regarding the products offered by these companies would have been considered
2 highly material to a reasonable examiner in considering whether to issue the '640 patent.

3 111. Given the knowledge of this highly relevant prior art, and the fact that Phoenix
4 elsewhere failed to submit material prior art of which it was aware, as described above, it is
5 reasonable to infer that Phoenix had an intent to deceive when it withheld information regarding
6 that prior art from the USPTO. By intentionally failing to submit this highly relevant prior art to
7 the USPTO, Phoenix committed inequitable conduct, and the '640 patent is therefore
8 unenforceable.

9 **THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

10 112. On information and belief, Phoenix's claims for infringement of the '977 patent
11 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.
12 Phoenix misrepresented or omitted material information in prosecuting the '977 patent. The
13 materiality of the information that was omitted is confirmed by the fact that, as explained further
14 below, in almost every instance the reference in question was cited to Phoenix by a patent
15 examiner overseeing the prosecution of a patent application seeking to claim related subject
16 matter, and the reference was cited as a ground for rejecting the claims of that pending
17 application. That demonstrates that a reasonable examiner would have likely considered the
18 withheld information relevant in assessing the patentability of the claims here. Further, on
19 information and belief, Phoenix withheld the information with the intent to deceive the USPTO.
20 Phoenix's intent to deceive the USPTO can be inferred from the fact that it repeatedly failed to
21 cite material prior art of which it was made aware during the course of prosecuting related
22 applications. Illustrative examples of such failures to disclose material prior art of which Wells
23 Fargo is currently aware are discussed below. As a result of at least these omissions, the '977
24 patent is unenforceable due to inequitable conduct.

25 113. During the time that the '977 patent was pending before the USPTO, Phoenix was
26 aware of U.S. Patent No. 5,615,296 to Stanford. Phoenix became aware of the Stanford patent
27 no later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office
28

1 Action rejecting the claims of the '640 patent, based in part on obviousness over the Stanford
2 patent.

3 114. As explained in paragraph 112 above, the Stanford patent's materiality is
4 demonstrated by the fact that it was used to reject the claims of a patent application from the
5 same family. The Stanford patent also discloses information that is unquestionably material to
6 issues relating to the patentability of the claims of the '977 patent, including the issue of
7 obviousness. For example, the '977 patent as issued claims a system "adapted to interact on a
8 real-time basis in response to one or more continuous speech queries." The Stanford patent, at
9 column 4, lines 10-12 notes that it discloses a "technique of speaker-independent, continuous-
10 speech phrases and bi-grams."

11 115. After May of 2002, Phoenix submitted no less than five Information Disclosure
12 Statements. Not one disclosed the Stanford patent. Phoenix also twice amended its claims, but
13 did not make any mention of the Stanford patent when doing so, despite the fact that Phoenix had
14 attempted at length to distinguish the Stanford patent in the '640 patent prosecution.

15 116. The '977 patent reflects on its face that the Stanford patent was never considered
16 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent
17 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
18 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

19 117. During the time that the '977 patent was pending before the USPTO, Phoenix was
20 aware of U.S. Patent No. 5,737,485 to Flanagan. Phoenix became aware of the Flanagan patent
21 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an
22 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the
23 Flanagan patent.

24 118. As explained in paragraph 112 above, the Flanagan patent's materiality is
25 demonstrated by the fact that it was used to reject the claims of a patent application from the
26 same family. The Flanagan patent also discloses information that is unquestionably material to
27 issues relating to the patentability of the claims of the '977 patent, including the issue of
28 obviousness. For example, the '977 patent as issued claims "partially processing a speech

1 utterance at the client platform to generate limited data content speech data.” The Flanagan
2 patent, at column 3, lines 55-57 and column 4, lines 2-4 discloses a “feature extractor [that]
3 extracts speech features or cepstrum coefficients,” which partially processed speech data are then
4 “provided as inputs to the speech recognizer.”

5 119. After September of 2001, Phoenix submitted a half-dozen Information Disclosure
6 Statements. Not one disclosed the Flanagan patent. Phoenix also twice amended its claims, but
7 did not make any mention of the Flanagan patent when doing so.

8 120. The '977 patent reflects on its face that the Flanagan patent was never considered
9 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent
10 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
11 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

12 121. During the time that the '977 patent was pending before the USPTO, Phoenix was
13 aware of U.S. Patent No. 5,265,014 to Haddock. Phoenix became aware of the Haddock patent
14 no later than September of 2001, when the Examiner in the '846 patent prosecution mailed an
15 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the
16 Haddock patent.

17 122. As explained in paragraph 112 above, the Haddock patent's materiality is
18 demonstrated by the fact that it was used to reject the claims of a patent application from the
19 same family. The Haddock patent also discloses information that is unquestionably material to
20 issues relating to the patentability of the claims of the '977 patent, including the issue of
21 obviousness. For example, the '977 patent as issued claims a website that has a “speech
22 recognition routine executing on the server computing system for completing recognition of said
23 speech query using said speech data and said data content to generate a recognized speech
24 query” and “a list of items, at least some of said list of items being selectable by a user based on
25 said recognized speech query.” The Haddock patent, at column 4, lines 25-28 and 43-46 notes
26 that it discloses a system whereby “the user communicates textual information to the computer
27 system by talking to the computer rather than by typing the information at the keyboard” and is
28

1 “embodied in a user interface of a database system which receives a database query from a user,
2 evaluates the query, and provides a result of the evaluation to the user.”

3 123. After September of 2001, Phoenix submitted a half-dozen Information Disclosure
4 Statements. Not one disclosed the Haddock patent. Phoenix also twice amended its claims, but
5 did not make any mention of the Haddock patent when doing so.

6 124. The '977 patent reflects on its face that the Haddock patent was never considered
7 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent
8 and the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
9 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

10 125. During the time that the '977 patent was pending before the USPTO, Phoenix was
11 aware of U.S. Patent No. 5,540,589 to Waters. Phoenix became aware of the Waters patent no
12 later than September of 2001, when the Examiner in the '846 patent prosecution mailed an
13 Office Action rejecting the claims of the '846 patent, based in part on obviousness over the
14 Waters patent.

15 126. As explained in paragraph 112 above, the Waters patent's materiality is
16 demonstrated by the fact that it was used to reject the claims of a patent application from the
17 same family. The Waters patent also discloses information that is unquestionably material to
18 issues relating to the patentability of the claims of the '977 patent, including the issue of
19 obviousness. For example, the '977 patent as issued claims a system “wherein signal processing
20 functions required to generate said recognized speech query can be allocated between a client
21 platform and the server computing system as needed based on computing resources available to
22 said client platform and server computing system respectively.” The Waters patent, at column 6,
23 lines 21-23 notes that it discloses a system where the “voice recognizer 34 is illustrated as a
24 standalone component, although it may be built-in to the controller.”

25 127. After September of 2001, Phoenix submitted a half-dozen Information Disclosure
26 Statements. Not one disclosed the Waters patent. Phoenix also twice amended its claims, but
27 did not make any mention of the Waters patent when doing so.
28

1 128. The '977 patent reflects on its face that the Waters patent was never considered by
2 the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent and
3 the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material
4 reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

5 129. During the time that the '977 patent was pending before the USPTO, Phoenix was
6 aware of U.S. Patent No. 6,336,090 to Chou. Phoenix became aware of the Chou patent no later
7 than May of 2002, when the Examiner in the '846 patent prosecution mailed an Office Action
8 rejecting the claims of the '846 patent, based in part on obviousness over the Chou patent.

9 130. As explained in paragraph 112 above, the Chou patent's materiality is
10 demonstrated by the fact that it was used to reject the claims of a patent application from the
11 same family. The Chou patent also discloses information that is unquestionably material to
12 issues relating to the patentability of the claims of the '977 patent, including the issue of
13 obviousness. For example, the '977 patent as issued claims a website that allows certain speech-
14 recognition operations to "be allocated between a client platform and the server computing
15 system as needed based on computing resources available to said client platform and server
16 computing system respectively." The Chou patent, at column 9, lines 51-59 notes that it
17 discloses a "feature extraction and/or ASR units can be located a the receiving base station, the
18 switch connected to the base station . . . or at another location connection on the network(s) to
19 which these elements are connected" and that it will sometimes "be convenient to have the
20 feature extraction and ASR operations performed at different locations."

21 131. After May of 2002, Phoenix submitted no less than five Information Disclosure
22 Statements. Not one disclosed the Chou patent. Phoenix also twice amended its claims, but did
23 not make any mention of the Chou patent when doing so.

24 132. The '977 patent reflects on its face that the Chou patent was never considered by
25 the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent and
26 the '846 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material
27 reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.
28

1 133. During the time that the '977 patent was pending before the USPTO, Phoenix was
2 aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent no
3 later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office
4 Action rejecting the claims of the '640 patent, based in part on obviousness over the Trower
5 patent.

6 134. As explained in paragraph 112 above, the Trower patent's materiality is
7 demonstrated by the fact that it was used to reject the claims of a patent application from the
8 same family. The Trower patent also discloses information that is unquestionably material to
9 issues relating to the patentability of the claims of the '977 patent, including the issue of
10 obviousness. For example, the '977 patent as issued claims a website that "controls an
11 interactive character agent presented to the user for assisting in handling said speech query."
12 The Trower patent, at column 2, lines 23-25 and column 3, lines 15-17 notes that it discloses a
13 "client-server animation system used to display interactive, animated user interface characters
14 with speech input and output capability" and that the invention is "advantageous for web pages
15 because a web page can include an interactive character simply by adding a reference to the
16 agent server."

17 135. After May of 2002, Phoenix submitted no less than five Information Disclosure
18 Statements. Not one disclosed the Trower patent. Phoenix also twice amended its claims, but
19 did not make any mention of the Trower patent when doing so.

20 136. The '977 patent reflects on its face that the Trower patent was never considered
21 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '977 patent
22 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
23 material reference, Phoenix committed inequitable conduct, and the '977 patent is unenforceable.

24 137. In addition to its failures to submit the material references described above,
25 Phoenix failed to disclose to the United States Patent and Trademark Office material information
26 regarding systems that were in use more than a year before the filing date for the '977 patent.
27 Specifically, documents produced by Phoenix have revealed that its principal (and named
28 inventor on the '977 patent) Ian Bennett knew no later than July of 2002 of a number of

1 companies that Phoenix viewed as competitors in the speech recognition marketplace. These
2 companies included, without limitation, Nuance, SpeechWorks, Scansoft, and VoiceNet.

3 138. Under the reading of the claims advanced by Phoenix in its infringement
4 contentions in this case, a product that was offered for sale by Nuance and in use more than a
5 year prior to the filing date of the '977 patent would have contained each of the elements of the
6 asserted claims of that patent. The Nuance product, which was available years prior to the filing
7 date of the '977 patent, would therefore have been not merely material prior art, but anticipatory
8 prior art, at least as Phoenix now reads the claims of the patents-in-suit. Accordingly,
9 information regarding the products offered by these companies would have been considered
10 highly material to a reasonable examiner in considering whether to issue the '977 patent.

11 139. Given the knowledge of this highly relevant prior art, and the fact that Phoenix
12 elsewhere failed to submit material prior art of which it was aware, as described above, it is
13 reasonable to infer that Phoenix had an intent to deceive when it withheld information regarding
14 that prior art from the USPTO. By intentionally failing to submit this highly relevant prior art to
15 the USPTO, Phoenix committed inequitable conduct, and the '977 patent is therefore
16 unenforceable.

17 **THIRTY-EIGHTH AFFIRMATIVE DEFENSE**

18 140. On information and belief, Phoenix's claims for infringement of the '854 patent
19 are barred in whole or in part by its failure to comply with the duty of candor before the USPTO.
20 Phoenix misrepresented or omitted material information in prosecuting the '854 patent. The
21 materiality of the information that was omitted is confirmed by the fact that, as explained further
22 below, in almost every instance the reference in question was cited to Phoenix by a patent
23 examiner overseeing the prosecution of a patent application seeking to claim related subject
24 matter, and the reference was cited as a ground for rejecting the claims of that pending
25 application. That demonstrates that a reasonable examiner would have likely considered the
26 withheld information relevant in assessing the patentability of the claims here. Further, on
27 information and belief, Phoenix withheld the information with the intent to deceive the USPTO.
28 Phoenix's intent to deceive the USPTO can be inferred from the fact that it repeatedly failed to

1 cite material prior art of which it was made aware during the course of prosecuting related
2 applications. Illustrative examples of such failures to disclose material prior art of which Wells
3 Fargo is currently aware are discussed below. As a result of at least these omissions, the '854
4 patent is unenforceable due to inequitable conduct.

5 141. During the time that the '854 patent was pending before the USPTO, Phoenix was
6 aware of U.S. Patent No. 5,983,190 to Trower. Phoenix became aware of the Trower patent no
7 later than May of 2002, when the Examiner in the '640 patent prosecution mailed an Office
8 Action rejecting the claims of the '640 patent, based in part on obviousness over the Trower
9 patent.

10 142. As explained in paragraph 140 above, the Trower patent's materiality is
11 demonstrated by the fact that it was used to reject the claims of a patent application from the
12 same family. The Trower patent also discloses information that is unquestionably material to
13 issues relating to the patentability of the claims of the '854 patent, including the issue of
14 obviousness. For example, the '854 patent as issued claims a method employing an "interactive
15 electronic agent" that "is an animated character on a screen of the client device." The Trower
16 patent, at column 2, lines 23-25 notes that it discloses a "client-server animation system used to
17 display interactive, animated user interface characters with speech input and output capability."

18 143. Phoenix filed the continuation application that matured into the '854 patent in
19 January of 2005, nearly three years after it indisputably learned of the Trower patent. At no time
20 during the prosecution of the '854 patent did Phoenix disclose the Trower patent to the USPTO.

21 144. The '854 patent reflects on its face that the Trower patent was never considered
22 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent
23 and the '640 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
24 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

25 145. During the time that the '854 patent was pending before the USPTO, Phoenix was
26 aware of U.S. Patent No. 6,101,472 to Giangarra. Phoenix became aware of the Giangarra patent
27 no later than August of 2004, when the Examiner in the '977 patent prosecution mailed an Office
28

1 Action rejecting the claims of the '977 patent, based in part on obviousness over the Giangarra
2 patent.

3 146. As explained in paragraph 140 above, the Giangarra patent's materiality is
4 demonstrated by the fact that it was used to reject the claims of a patent application from the
5 same family. The Giangarra patent also discloses information that is unquestionably material to
6 issues relating to the patentability of the claims of the '854 patent, including the issue of
7 obviousness. For example, the '854 patent as issued claims a method that includes "providing a
8 speech recognition engine adapted to recognize a first set of words and/or phrases during an
9 interactive speech session." The Giangarra patent, at column 5, lines 41-44 discloses a
10 "vocabulary list stored in speech recognition unit 252 [that] provides a list of all words and
11 utterances by an external user which will be recognized as voice commands."

12 147. Phoenix filed the continuation application that matured into the '854 patent in
13 January of 2005, several months after it indisputably learned of the Giangarra patent. At no time
14 during the prosecution of the '854 patent did Phoenix disclose the Giangarra patent to the
15 USPTO.

16 148. The '854 patent reflects on its face that the Giangarra patent was never considered
17 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent
18 and the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
19 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

20 149. During the time that the '854 patent was pending before the USPTO, Phoenix was
21 aware of U.S. Patent No. 6,330,530 to Horiguchi. Phoenix became aware of the Horiguchi
22 patent no later than August of 2004, when the Examiner in the '977 patent prosecution mailed an
23 Office Action rejecting the claims of the '977 patent, based in part on obviousness over the
24 Horiguchi patent.

25 150. As explained in paragraph 140 above, the Horiguchi patent's materiality is
26 demonstrated by the fact that it was used to reject the claims of a patent application from the
27 same family. The Horiguchi patent also discloses information that is unquestionably material to
28 issues relating to the patentability of the claims of the '854 patent, including the issue of

1 obviousness. For example, the '854 patent as issued claims "a natural language query system."
2 The Horiguchi patent, at column 1, lines 27-28 describes a "natural language processing system."

3 151. Phoenix filed the continuation application that matured into the '854 patent in
4 January of 2005, several months after it indisputably learned of the Horiguchi patent. At no time
5 during the prosecution of the '854 patent did Phoenix disclose the Horiguchi patent to the
6 USPTO.

7 152. The '854 patent reflects on its face that the Horiguchi patent was never considered
8 by the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent
9 and the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this
10 material reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

11 153. During the time that the '854 patent was pending before the USPTO, Phoenix was
12 aware of U.S. Patent No. 6,901,366 to Kuhn. Phoenix became aware of the Kuhn patent no later
13 than June of 2005, when the Examiner in the '977 patent prosecution mailed an Office Action
14 rejecting the claims of the '977 patent, based in part on obviousness over the Kuhn patent.

15 154. As explained in paragraph 140 above, the Kuhn patent's materiality is
16 demonstrated by the fact that it was used to reject the claims of a patent application from the
17 same family. The Kuhn patent also discloses information that is unquestionably material to
18 issues relating to the patentability of the claims of the '854 patent, including the issue of
19 obviousness. For example, the '854 patent as issued claims a method of using a system that
20 provides "a database of query/answer pairs concerning one or more topics which can be
21 responded to by the natural language query system." The Kuhn patent, at column 5, line 1 and
22 lines 45-47 notes that it discloses a "knowledge database" as well as a "natural language parser
23 12 [that] analyzes and extracts semantically important and meaningful topics from a loosely
24 structured, natural language text."

25 155. After June of 2005, Phoenix submitted several Information Disclosure
26 Statements, and also amended the claims several times. At no time during the prosecution of the
27 '854 patent did Phoenix disclose the Kuhn patent to the USPTO.

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1 156. The '854 patent reflects on its face that the Kuhn patent was never considered by
2 the Examiner during its prosecution. Notably, the attorney prosecuting both the '854 patent and
3 the '977 patent was the same: J. Nicholas Gross. By intentionally failing to submit this material
4 reference, Phoenix committed inequitable conduct, and the '854 patent is unenforceable.

5 157. In addition to its failures to submit the material references described above,
6 Phoenix failed to disclose to the United States Patent and Trademark Office material information
7 regarding systems that were in use more than a year before the filing date for the '854 patent.
8 Specifically, documents produced by Phoenix have revealed that its principal (and named
9 inventor on the '854 patent) Ian Bennett knew no later than July of 2002 of a number of
10 companies that Phoenix viewed as competitors in the speech recognition marketplace. These
11 companies included, without limitation, Nuance, SpeechWorks, Scansoft, and VoiceNet.

12 158. Under the reading of the claims advanced by Phoenix in its infringement
13 contentions in this case, a product that was offered for sale by Nuance and in use more than a
14 year prior to the filing date of the '854 patent would have contained each of the elements of the
15 asserted claims of that patent. The Nuance product, which was available years prior to the filing
16 date of the '854 patent, would therefore have been not merely material prior art, but anticipatory
17 prior art, at least as Phoenix now reads the claims of the patents-in-suit. Accordingly,
18 information regarding the products offered by these companies would have been considered
19 highly material to a reasonable examiner in considering whether to issue the '854 patent.

20 159. Given the knowledge of this highly relevant prior art, and the fact that Phoenix
21 elsewhere failed to submit material prior art of which it was aware, as described above, it is
22 reasonable to infer that Phoenix had an intent to deceive when it withheld information regarding
23 that prior art from the USPTO. By intentionally failing to submit this highly relevant prior art to
24 the USPTO, Phoenix committed inequitable conduct, and the '854 patent is therefore
25 unenforceable.

26 **THIRTY-NINTH AFFIRMATIVE DEFENSE**

27 160. On information and belief, the '846 patent is invalid under the doctrine barring
28 double patenting and/or obviousness-type double patenting.

FORTIETH AFFIRMATIVE DEFENSE

161. On information and belief, the '640 patent is invalid under the doctrine barring double patenting and/or obviousness-type double patenting.

FORTY-FIRST AFFIRMATIVE DEFENSE

162. On information and belief, the '977 patent is invalid under the doctrine barring double patenting and/or obviousness-type double patenting.

FORTY-SECOND AFFIRMATIVE DEFENSE

163. On information and belief, the '854 patent is invalid under the doctrine barring double patenting and/or obviousness-type double patenting.

PRAYER FOR RELIEF

WHEREFORE, Wells Fargo prays for judgment as follows:

(a) That Phoenix take nothing by its Complaint and the Court dismiss its Complaint with prejudice;

(b) That the Court find that no claim of the '846 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(c) That the Court find that no claim of the '640 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(d) That the Court find that no claim of the '977 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(e) That the Court find that no claim of the '854 patent has been, or is, infringed willfully, deliberately, or otherwise by Wells Fargo;

(f) That the Court find that the claims of the '846 patent are invalid;

(g) That the Court find that the claims of the '640 patent are invalid;

(h) That the Court find that the claims of the '977 patent are invalid;

(i) That the Court find that the claims of the '854 patent are invalid;

(j) That the Court find that the '846 patent is unenforceable because of inequitable conduct committed during its prosecution;

(k) That the Court find that the '640 patent is unenforceable because of inequitable

1 conduct committed during its prosecution;

2 (l) That the Court find that the '977 patent is unenforceable because of inequitable
3 conduct committed during its prosecution;

4 (m) That the Court find that the '854 patent is unenforceable because of inequitable
5 conduct committed during its prosecution;

6 (n) That the Court award Wells Fargo reasonable attorneys' fees under 35 U.S.C. § 285;

7 (o) That the Court award Wells Fargo all costs and expenses it incurs in this action;

8 (p) That the Court award Wells Fargo such other and further relief that it deems just and
9 proper.

10 **DEMAND FOR JURY TRIAL**

11 Wells Fargo hereby demands a trial by jury of all issues so triable in this action.

12

13 Dated: September 8, 2008

KEKER & VAN NEST, LLP

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By: _____

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Eugene M. Paige
Attorneys for Defendant
WELLS FARGO BANK, N.A.

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